



# CENTRAL HUDSON

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Explanation of bill charges as of 5/12/2016

# Delivery Charges

- Basic Service Charge
- Delivery Service Charge
- MFC Admin Charge
- Transition Adjustment
- Electric Bill Credit (EBC)
- System Benefit Charge (SBC)
- Misc. Charges
- NYS Assessment
- RDM Charge

# Basic Service Charge & Delivery Service Charge

- Can be found in the tariff listed under each service classification
- Set pursuant to a Commission order in a rate proceeding

# MFC Admin Charge

- Implemented 7/1/2007 in Cases 05-E-0934 & 05-G-0935; continued in Cases 08-E-0887 & 08-G-0888; restructured pursuant to DPS Staff methodology in Cases 09-E-0588 & 09-G-0589; subsequently continued in Cases 14-E-0318 & 14-G-0319
- Listed on the MFC statement
- The MFC Administration Charge includes the commodity-related credit and collections component and 50% of commodity related call center costs, plus administrative and general expenses and rate base items associated with each component
- The MFC Admin Charge is avoided by retail access customers using Dual billing



# Transition Adjustment

- Listed on the MFC statement; subject to change annually
- Recovers lost MFC revenues associated with customer migration to retail suppliers

# Electric Bill Credit (EBC)/Gas Bill Credit (GBC)

- Listed on the EBC/GBC statement
- The Electric Bill Credit (EBC)/Gas Bill Credit (GBC) is designed to return to customers the electric/gas regulatory liability remaining after the offset of the various electric deferred balances as of June 30, 2015 pursuant to the Order in case 14-E-0318

# System Benefit Charge (SBC)

- Listed on the SBC statement
- The Clean Energy Fund (CEF) surcharge component of the SBC factor collects funds associated with NYERSDA-run clean energy activities, including the Renewable Portfolio Standard (RPS), Energy Efficiency Portfolio Standard (EEPS) and SBC IV, as previously approved in prior Commission proceedings, as well as the CEF.
- Also includes the Energy Efficiency Tracker which recovers the non-labor costs of the Company's internal suite of energy efficiency programs.

# Miscellaneous Charges

- Listed on MISC statement; subject to change monthly
- The Miscellaneous Charges factor is designed to recover from or refund to all delivery customers the cost or benefit of non-avoidable, variable energy related revenues and costs associated with the Company's remaining generating facilities and from mandatory IPP purchases



# NYS Assessment (NYSA)

- Listed on the NYSA Statement; subject to change annually 7/1
- The New York State Assessment (NYSA) is designed to recover the Temporary State Energy and Utility Service Conservation Assessment pursuant to Public Service Law
- NYSA is calculated separately for each service classification
- Currently scheduled to end by 12/31/2017

# Revenue Decoupling Mechanism (RDM) Charge

- Listed on the RDM statement; subject to change 8/1 and 2/1
- Actual delivery revenues for certain customer classes are subject to reconciliation against PSC-approved targets, with under or over collections addressed through an RDM Adjustment.
- The Electric RDM Adjustment is applicable to Service Classification Nos. 1, 2, and 6, and those customers taking service under SC No. 14 whose parent service classification would be either SC 1, 2 or 6. The RDM is not applicable to Service Classification Nos. 3, 5, 8, 9 and 13.
- The Gas RDM Adjustment is applicable to Service Class Nos. 1, 2, 6, 12 & 13.

# Weather Normalization Adjustment

- Listed on WNA statement
- A Weather Normalization Adjustment shall be effective for all heating customers taking service under Service Classification Nos. 1, 2, 6, 12, and 13. The Weather Normalization Adjustment will be applied to total gas usage during the period October 1 through May 31 of each year.

# Full Service Supply Charges

- MFC Supply Charge
- Market Price Charge (MPC)
- Market Price Adjustment (MPA)

# MFC Supply Charge

- Listed on the MFC statement; subject to change annually coincident with change in Transition Adjustment
- Includes the Base MFC Supply Charge and allocation of MFC Lost Revenue
- The Merchant Function Charge (MFC) is designed to reflect the costs the Company incurs associated with the procurement and provision of electricity supplies
- The MFC includes cost-based components to represent commodity-related advertising and promotions, and related Administrative and General expenses and rate base items allocated to each component
- MFC's are calculated separately for each service classification
- Retail customers avoid paying the MFC Supply Charge

# Market Price Charge (MPC)

- Listed on MPC statement; subject to change monthly
- Designed to recover the cost of providing electric power supply to full service delivery customers
- Includes the cost of all commodity related purchases, including energy, installed capacity, risk management and fees and charges assessed by NYISO as well as all ancillary charges, made by the Company on behalf of its full service customers

# Market Price Adjustment (MPA)

- Listed on the MPC statement; subject to change monthly
- The Company will reconcile, by MPC Group, actual MPC recoveries with total MPC costs and refund to or collect from customers any over or under recoveries on a monthly basis through a separate Market Price Adjustment factor.

# Summary of Charges avoided by retail access customers

- Customers purchasing their electricity requirements from Central Hudson will be billed by the Company for the MFC Administration Charge and the MFC Supply Charge.
- Customers purchasing their electricity requirements from a Retail Supplier that is participating in the Company's Purchase of Accounts Receivables Program (POR), will be billed by Central Hudson for the MFC Administration Charge only.
- Customers purchasing their electricity requirements from a Retail Supplier that is not participating in the Company's POR Program will not be billed by Central Hudson for the MFC Administration Charge or the MFC Supply Charge.



# ECAM

- ECAM (Energy Cost Adjustment Mechanism) is a four factor mechanism designed to achieve full recovery of electric commodity and commodity related costs, as well as pass through of any commodity related revenues, expenses or other benefits
- The factors consist of the Market Price Charge (MPC), Market Price Adjustment (MPA), Miscellaneous Charges (MISC) and Purchased Power Adjustment (PPA)

# GSC

- Gas Supply Charge (GSC) is designed to collect the gas expense incurred by the Company to serve customers taking service under Service Classification Nos. 1 and 2 (full service / sales customers). The GSC includes the demand and commodity costs of gas, the annual reconciliation of gas expense, gas supplier refunds, interruptible sales credits, capacity release credits, incremental capacity costs and all other adjustments as approved.
- The GSC is applied to total measured quantities included in bills for which meters are read on and after the effective date of the Gas Supply Charge. Gas Supply Charges is prorated based on the number of days each Gas Supply Charge is in effect during a customer's billing period.